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Report No. CC 98-__

ACTION IN DOCKET CASE

December 22, 1998

COMPREHENSIVE MONITORING REPORT ON UNIVERSAL SERVICE RELEASED (CC DOCKET NO. 98-202)

The staff of the Federal-State Joint Board on universal service has released its most recent Monitoring Report on Universal Service. The Commission has, at the same time, issued a Public Notice describing the universal service monitoring program and changes made in that program following the Telecommunications Act of 1996.

A monitoring program was established in the mid-1980's, at the recommendation of the separations Joint Board, to track trends related to universal service and related matters. Since then the Joint Board Staff has prepared Monitoring Reports at least once a year--a compendium of hundreds of pages of statistical data on subscribership and penetration, loop costs, separations factors, universal service fund payments, etc. The latest report incorporates a few new sections related to the universal service support mechanisms, reflecting the change in the publication of this report from the separations Joint Board staff to the universal service Joint Board staff.

The Monitoring Report is unique in several ways. First, it is the only document that includes information on every local telephone company in the nation. Second, the FCC has not imposed any new reporting burdens on any company to generate the information. Instead it uses data which the National Exchange Carrier Association collects for its own needs, data from the Bureau of Labor Statistics and other organizations, and publicly available ARMIS submissions. A third characteristic of the monitoring reports is that they are staff reports. They are not intended to be policy documents and contain only enough text to describe the tables.

The Report released today presents current data in each of the eleven subject categories selected for monitoring: 1) industry revenues and contributions; 2) low income support; 3) high cost support; 4) schools and libraries support; 5) rural health care support; 6) subscribership and penetration; 7) rates and price indices; 8) network usage and growth; 9) quality of service; 10) infrastructure; and 11) revenues, expenses and investment.

A copy of the Report is available for inspection in the Common Carrier Bureau reference room, 2000 M Street, NW, Room 575. The Report can be downloaded from the **FCC-State Link** internet site, which can be reached at <http://www.fcc.gov/ccb/stats> on the World Wide Web. Names for print image files: mr98-all.pdf for the whole report, mr98-pn.pdf for the public notice, and mr98-0/pdf, mr98-1.pdf, ..., mr98-11.pdf for the introduction and each section separately. Names for condensed files in WordPerfect 5.1 and Lotus 123 .wk4 format: mr98-pn.zip, mr98-0.zip, mr98-1.zip, ..., mr98-11.zip. The report and public notice can also be downloaded from the **FCC-State Link** computer bulletin board system by calling (202) 418-0241 with a computer modem.

Copies of the Report are available for purchase from the Commission's duplicating contractor, International Transcription Service, Inc. (ITS) at (202) 857-3800.

For further information contact Alexander Belinfante at (202) 418-0944.

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PUBLIC NOTICE

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DA 98-2540
Released: December 22, 1998

COMMON CARRIER BUREAU RELEASES REPORT TO MONITOR IMPACTS OF UNIVERSAL SERVICE SUPPORT MECHANISMS

CC Docket No. 98-202

1. The Common Carrier Bureau (the Bureau) announces the release of the first edition of the universal service Monitoring Report.¹ This release implements the Commission's directive to establish a program to monitor the universal service support mechanisms and to issue reports documenting the results of that monitoring program at least once a year. The monitoring program will enable the public, the Commission, and other policy makers to effectively evaluate the new universal service support mechanisms. As the centerpiece of the monitoring program, the Monitoring Reports will provide comprehensive and consistent information to the public.

2. The Monitoring Reports were developed in consultation with the states and after careful consideration of the comments received in response to the Bureau's *Monitoring Program Public Notice*.² Based on this input, the Bureau has tailored the new Monitoring Reports to document and assess three aspects of the new universal service support mechanisms: (1) the contribution of support to the universal service support mechanisms; (2) the disbursement of support through the explicit universal service support mechanisms; and, (3) various measures of the impacts of the universal service support mechanisms. By focusing the Monitoring Reports on these three categories of information, the Bureau will fulfill the Commission's directive to

¹ A copy of the Report is available for inspection in the Common Carrier Bureau reference room, 2000 M Street, NW, Room 575. The Report can be downloaded from the **FCC-State Link** internet site, which can be reached at <http://www.fcc.gov/ccb/stats> on the World Wide Web. Names for print image files: mr98-all.pdf for the whole report, mr98-pn.pdf for the public notice, and mr98-0/pdf, mr98-1.pdf, ..., mr98-11.pdf for the introduction and each section separately. Names for condensed files in WordPerfect 5.1 and Lotus 123 .wk4 format: mr98-pn.zip, mr98-0.zip, mr98-1.zip, ..., mr98-11.zip. The report and public notice can also be downloaded from **FCC-State Link** computer bulletin board system by calling (202) 418-0241 with a computer modem.

² *Common Carrier Bureau Seeks Comment on Program to Monitor Impacts of Universal Service Support Mechanisms*, Public Notice, DA 98-580, CC Docket No. 96-45, IAD File No. 98-101 (rel. Apr. 24, 1998) (*Monitoring Program Public Notice*).

"maintain and report . . . detailed records relating to the determination and amounts of payments made and monies received in the universal service support mechanisms."³

I. Background

3. Universal access to telephone service has long been one of the Commission's principal goals in carrying out its mandate under the Communications Act of 1934, as amended.⁴ As part of this objective, the Commission has sought to establish a monitoring program to assess the impact of universal service support mechanisms. In 1987, the Commission, acting on the recommendation of the Separations Joint Board, adopted a monitoring program to address universal service and separations issues raised in CC Docket No. 80-286.⁵ Because those Monitoring Reports integrated information from all fifty states, Commission and state staff worked closely to prepare accurate and useful analyses. Those Monitoring Reports have been and continue to be widely used by the public, state commissions, and industry because they provide valuable information on universal service support in all states.

4. In the Telecommunications Act of 1996 (1996 Act),⁶ Congress adopted new section 254 of the Communications Act, as amended,⁷ and articulated a new statutory basis for federal universal service support mechanisms. On May 8, 1997, the Commission released a Report and Order implementing section 254 of the Communications Act, as amended, and creating a new set of universal service support mechanisms.⁸ In the *Universal Service Order*, the Commission decided to create a new program to monitor the universal service support mechanisms and to issue publicly available reports documenting the results of that monitoring program at least once

³ *Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd 8776, ¶ 869 (rel. May 8, 1997) (*Universal Service Order*). Most commenters support efforts to monitor and make publicly available data that will document and help evaluate the universal service support mechanisms. See, e.g., GSA Comments at i ("GSA urges the Common Carrier Bureau to continue compiling this valuable data."); GTE Comments at 1-2; U S West Comments at 1-2 ("U S West supports the continuation of the monitoring program as long as information is provided in a competitively neutral manner and is gathered from existing sources."); Sprint Comments at 1. *Contra* Bell Atlantic Comments at 1.

⁴ See *Federal-State Board Joint Board on Universal Service*, Notice of Proposed Rulemaking and Order Establishing Joint Board, CC Docket 96-45, FCC 96-93, ¶ 3 (rel. Mar. 8, 1996) (*Universal Service NPRM*); *Monitoring Program Public Notice*, at ¶¶ 4-5.

⁵ See *Monitoring Program Public Notice*, at ¶ 5. Pursuant to that monitoring program, the staff of the Separations Joint Board issued nineteen reports (also referred to as Monitoring Reports) over a period of ten years, concluding with the May 1997 report. For a detailed discussion of the Commission's program to monitor those support mechanisms, see *Monitoring Program Public Notice*, at ¶¶ 4-5.

⁶ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996 Act), *codified at* 47 U.S.C. §§ 151 *et seq.*

⁷ 47 U.S.C. § 254.

⁸ *Universal Service Order*, 12 FCC Rcd 8776.

a year.⁹ The Commission delegated responsibility for creating a monitoring program and for compiling the Monitoring Reports to the Bureau, in consultation with the state staff of the Universal Service Joint Board.¹⁰ The Commission instructed the Bureau to issue Monitoring Reports that incorporate information related to the determination and amounts of payments made for and monies received from the universal service support mechanisms.¹¹ This information is provided to the Commission by the administrator of the universal service support mechanisms.¹² On April 24, 1998, the Bureau released the *Monitoring Program Public Notice* seeking comment on a proposed program to monitor the impacts of the universal service support mechanisms.¹³

II. Discussion

A. Overview

5. The Monitoring Reports will initially consist of three categories of information, each tailored to a specific area of the universal service support mechanisms. The topics addressed in the Monitoring Reports will be:

1. Contributions of Support Per Explicit Universal Service Support Mechanisms
 - a. Industry Revenues and Contributions
2. Distribution of Support through Explicit Universal Service Support Mechanisms
 - a. Low-Income Support
 - b. High Cost Support
 - c. Schools and Libraries Support
 - d. Rural Health Care Support
3. Measuring the Impact of Universal Service Support Mechanisms

⁹ *Universal Service Order*, 12 FCC Rcd 8776, ¶ 869.

¹⁰ *Federal-State Joint Board on Universal Service*, Order on Reconsideration, CC Docket No. 96-45, FCC 97-246, at ¶ 34 (rel. July 10, 1997) (*Universal Service First Order on Reconsideration*).

¹¹ Universal Service Administrative Company (USAC), a wholly owned subsidiary of the National Exchange Carriers Association (NECA), has been selected as the interim administrator. *See Changes to the Board of Directors of the National Exchange Carriers Association, Inc. and Federal-State Joint Board on Universal Service*, Report and Order and Second Order on Reconsideration, CC Docket Nos. 97-21 and 96-45, FCC 97-253 (rel. July 18, 1997).

¹² *Universal Service Order*, 12 FCC Rcd 8776, ¶ 869.

¹³ *See Monitoring Program Public Notice*. Comments were filed by: Arkansas Public Service Commission (Arkansas Commission), Bell Atlantic, BellSouth, Commonwealth of the Northern Mariana Islands (CNMI), Education and Library Networks Coalition (EdLiNC), General Services Administration (GSA), GTE, MCI, Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell (SBC), Sprint Local Telephone Companies (Sprint), and U S West Communications, Inc. (U S West). Reply Comments were filed by: BellSouth, MCI, and National Association of Regulatory Utility Commissioners (NARUC)

- a. Subscribership and Penetration
- b. Rates and Price Indices
- c. Network Usage and Growth
- d. Quality of Service
- e. Infrastructure
- f. Revenues, Expenses, and Investment

Publishing data on these topics will give the public, the Commission, and other policy makers the necessary tools to evaluate the functioning of the support mechanisms. This format incorporates most of the information that was made available under the previous monitoring program, and also adds new or substantially-revised sections to document industry revenues and contributions, the schools and libraries and rural health care support mechanisms, and a new measure of the impact of the universal service support mechanisms -- service quality. These additions to the monitoring program are carefully tailored to reflect the universal service support mechanisms outlined in section 254 of the Act.¹⁴

6. We refer parties to the text of the Monitoring Report, itself, for a detailed description of each section of the report and its relationship to the universal service support mechanisms.¹⁵ The Bureau addresses below a number of specific considerations and describes those areas where there are material changes to the Monitoring Reports as previously proposed.

B. Future Changes to the Monitoring Reports

7. To facilitate comment on the Monitoring Reports and to simplify the administrator's delivery of information to the Bureau, parties should file all future comments and data concerning the Monitoring Reports in CC Docket No. 98-202. Parties are encouraged to file comments on a continuing basis about the need for revisions to the monitoring program in this on-going, open docket.¹⁶ The Commission delegated to the Bureau the responsibility to make changes to the content and timing of the Monitoring Reports as needed. The Bureau reaffirms its on-going partnership with the state staff of the Universal Service Joint Board, whose assistance continues to be invaluable in designing an effective monitoring program.¹⁷

¹⁴ See MCI Reply Comments at 2. Cf. SBC Comments at 1.

¹⁵ *Program to Monitor Impacts of Universal Service Support Mechanisms*, CC Docket No. 98-202, *Monitoring Report*, December 1998 (released simultaneously with this Public Notice). See also *Monitoring Program Public Notice*, ¶¶ 16-49.

¹⁶ *Monitoring Program Public Notice*, ¶ 8.

¹⁷ The Bureau notes that comments from state regulatory interests were highly supportive of the Bureau's monitoring program. See, e.g., Arkansas Commission Comments at 1-4 ("APSC supports the Bureau's efforts to expand the focus of the Monitoring Reports, and encourages the FCC to use this opportunity to compile a comprehensive reference source that will assist in a thorough evaluation of the universal service support mechanisms that consumers are funding."); NARUC Reply Comments at 2 (noting that FCC staff have worked closely with state staff of the Universal Service Joint Board on many of the proposed changes).

C. Data Collection and Direction to Universal Service Administrator

8. The Monitoring Reports shall be based primarily on information provided by the administrator of the universal service support mechanisms to the Commission. The clear language of the *Universal Service Order* and the Commission rules direct the administrator to collect information concerning contribution and disbursement of support and to provide this information to the Commission.¹⁸ Thus, the great majority of data published in the Monitoring Reports is already collected pursuant to existing requirements.¹⁹

9. In addition to data provided by the administrator, the Bureau collects and publishes data on a number of measures (e.g., rates, penetration, usage, quality of service, and infrastructure) as a means of evaluating the effectiveness and efficiency of the universal service support mechanisms. To document the impacts of the universal service support mechanisms, the Bureau will collect data from a variety of publicly available sources, including the National Exchange Carriers Association (NECA), the Bureau of Labor Statistics (BLS), the Census Bureau, and the Rural Utilities Service (RUS). The Monitoring Reports will also draw on publicly available information filed with the Commission, such as tariffs, Automated Reporting Management Information System (ARMIS) data, and Commission surveys. Recognizing carriers' concerns that the monitoring program not impose new reporting requirements or that reporting requirements only be imposed where there is a compelling public interest,²⁰ the Bureau designed the monitoring program so that the data collected and reported is based on existing information collections or publicly available information and imposes no new reporting requirements on any carrier. However, should additional information be necessary or useful to the effective monitoring of the universal service support mechanisms, the Bureau may revisit this decision.

D. Timing of Reports

10. The Monitoring Reports normally will be published twice a year to allow more frequent publication of data and to make more manageable the size and scope of the reports. Under the Commission's rules, the universal service administrator submits data to the Commission on a quarterly basis.²¹ Based on those filings, the Bureau will issue two reports per year, each of which will include all sections of the Monitoring Report, but will emphasize the

¹⁸ *Universal Service Order*, 12 FCC Rcd 8776, ¶ 869 (instructing the universal service administrator "to maintain and report to the Commission detailed records" relating to the universal service support mechanisms); 47 C.F.R. § 54.701(g).

¹⁹ As Sprint observes, the data concerning contributions and distributions will come directly from the universal service administrator. Sprint Comments at 1-2.

²⁰ See, e.g., GTE Comments at 2; SBC Comments at 2 ("the Bureau should seek to minimize the reporting requirements"); Sprint Comments at 1-2; U S West Comments at 2-4 ("the program must also draw information from existing sources of information and no new reporting requirements"); NARUC Comments at 3 (noting NARUC resolution asking FCC to only impose "reasonably necessary reporting obligations" in order to monitor service quality).

²¹ 47 C.F.R. § 54.701(g).

newly received data.²² For the sections where little or no new data has been received since the last published edition, only summary and revised information will be included. This procedure will allow those using the reports to combine sections from the two most recent reports to create a comprehensive report that will be at least as up-to-date as a single annual report -- and, in certain cases, more up-to-date than a single annual report. This arrangement will satisfy the Commission directive that "information based on [reports from the administrator] should be made public at least once a year as part of a Monitoring Report."²³

F. High Cost Support Mechanisms

11. The Monitoring Reports will include data on the high cost support mechanisms that will enable the Commission and others to track the amount of high cost support and identify high cost study areas. Until the Commission has adopted a forward-looking cost mechanism for high cost support, the Bureau will continue to publish data as reported in the former High Cost Assistance and Pooling sections of the May 1997 Monitoring Report, including aggregate and study area data on the existing high cost loop fund, Long Term Support, and Local Switching Support. This information is valuable to the Commission and others as a means to track the amount of high cost support and to identify high cost study areas.²⁴

12. A number of commenters express concerns about the level of detail to be reported and argue that data presented at too specific a geographic or company level will compromise competitively sensitive information.²⁵ Until the adoption of a forward-looking cost mechanism, the Bureau will continue to publish data on high cost support aggregated to the support area level. Under the existing support mechanisms, the Bureau has published data on the amount of high cost support distributed at the support area level for years and there is no reason to believe that this information presents any appreciable threat of competitive harm. Since the Commission has not yet adopted a forward-looking cost mechanism for high cost support, the Bureau has not made any conclusions about what type of information or what level of detail would be appropriate for publication in the Monitoring Report under that permanent mechanism. The Bureau reiterates its intention to protect data that it determines to be competitively-sensitive, consistent with the Commission's rules concerning confidentiality.

²² The Bureau rejects GTE's argument that publishing the Monitoring Report in two installments would somehow violate the Paperwork Reduction Act. GTE Comments at 7. By publishing data more frequently the Bureau does not increase reporting burdens or the frequency with which data must be filed, but instead improves the quality and timeliness of publicly available information.

²³ *Universal Service Order*, 12 FCC Rcd 8776, ¶ 869.

²⁴ See, e.g., GSA Comments at 4 (noting utility of non-traffic sensitive revenue requirement data); NARUC Comments at 7. Accord Arkansas Commission at 4; Bell Atlantic Comments at 3.

²⁵ See, e.g., Bell Atlantic Comments at 3; GTE Comments at 6; SBC Comments at 4; U S West Comments at 3. But see Arkansas Commission at 3; MCI Reply Comments at 5-6.

E. Schools and Libraries and Rural Health Care Support Mechanisms

13. The Monitoring Reports will document the distribution of support under the new schools and libraries and rural health care support mechanisms. As stated by BellSouth, the Monitoring Report can "play an important role both in tracking trends and targeting areas for improvement in these two programs in future years."²⁶ Since disbursements have not yet been made pursuant to the schools and libraries²⁷ and rural health care support mechanisms, the Bureau defers most decisions about the level of aggregation for this data until Bureau staff is able to review the actual submissions made by the universal service administrator.²⁸ At a minimum, this section should include data concerning the total support distributed, as well as state-by-state breakdowns.²⁹ This section will likely also include other measures, such as the amount of support by discount level.³⁰ As noted above, the Bureau states its intention not to publish any data that it determines to be competitively sensitive, consistent with the Commission's rules concerning confidentiality.³¹

14. Some commenters suggest that the Monitoring Reports include various measures of the quality of education and health care to determine the effectiveness of the schools and libraries and rural health care programs.³² Given the formative stages of the schools and libraries

²⁶ See BellSouth Comments at 1.

²⁷ We note that some schools and libraries have received funding commitment letters for such support. See Schools and Libraries Corporation, *First Wave of E-Rate Funding Commitment Letters Sent*, Press Release (rel. Nov. 23, 1998).

²⁸ See, e.g., BellSouth Comments at 2-8 (suggesting that the Commission report data by category of service provided, but opposing proposals to publish data by individual contract); EdLiNC Comments at 1-9 (suggesting that the Commission report data by type of applicant, type of service provided, and by level of support per applicant); Sprint Comments at 2 (stating that "reporting by individual school, library or health care provider would produce data too voluminous to be of benefit").

²⁹ See, e.g., Bell Atlantic Comments at 4; EdLiNC Comments at 8; Sprint Comments at 3.

³⁰ See, e.g., Bell Atlantic Comments at 4; BellSouth Comments at 4 ("[D]ata could provide useful information as to whether the discounts are reaching disadvantaged schools."); Sprint Comments at 3 ("Summarized data, by type or size of institution and by state, would be more appropriate."). But see EdLiNC Comments at 4 (noting difficulties of reporting by discount level and suggesting other methods for determining the income level of applicants).

³¹ See, e.g., Bell Atlantic Comments at 4 (arguing that it would be "intrusive" to publish information about each health care provider receiving discounts); GTE Comments at 6 (opposing disclosure of "proprietary contents of private contracts associated with schools, libraries and rural health care providers"); U S West Comments at 3 (arguing that data on individual telecommunications companies would reveal competitively sensitive information). But see EdLiNC Comments at 7 (arguing that the Commission should make available company-level information on the amount of subsidy received for each subsidized service or product); MCI Reply Comments at 5 (supporting EdLiNC's proposal).

³² See, e.g., APSC Comments at 3 (arguing that data could be used to determine if funds "are resulting in improved test scores" and improved health); BellSouth Comments at 4-5 ("Data could also be reported as to the effectiveness of this support program in terms of providing more complete, efficient and cost-effective health

and rural health care support mechanisms, the Bureau defers consideration of these suggestions to a later date.

G. Data from ARMIS Reports

15. Three sections of the Monitoring Reports are based on data collected through the Automated Reporting Management Information System (ARMIS): Quality of Service; Infrastructure; and, Revenues, Expenses, and Investment. Both the Quality of Service and Infrastructure sections provide useful measures of the effectiveness of the Commission's universal service support mechanisms. The Monitoring Report includes the Revenues, Expenses, and Investment section because the data on separated intrastate and interstate revenues, expenses, and investment are relevant to the Commission's determination of the share of support to be provided by federal universal service support mechanisms.³³

16. Arguments as to whether these ARMIS reports should be eliminated altogether are outside the scope of this proceeding.³⁴ The Bureau also rejects arguments that including ARMIS report data in the Monitoring Reports would somehow violate the principle of competitive neutrality adopted by the Commission in the *Universal Service Order* simply because that data is only submitted by incumbent LECs.³⁵ We are unconvinced that publishing this already-collected and publicly available data will unfairly advantage or disadvantage one provider over another. Indeed, we note that all of the ARMIS data is now also available to the public through the Commission's web page at <http://www.fcc.gov/ccb/armis/db/>.

H. Local Rate Survey

17. The Bureau has decided not to expand the local rate survey of business and residential rates in urban areas at this time. Through the local rate survey the Bureau collects various information on monthly charges per line and service connection charges for business and residential service in an effort to determine the actual cost for customers to receive local service. The local rate survey is a valuable source of information for parties seeking to evaluate the effectiveness of the Commission's universal service support mechanisms. Nevertheless, our current survey provides a representative sampling of local rates such that we need not impose a broad-based requirement that all carriers report such information to the Commission, at this time. The Bureau adopts this least burdensome approach with the particular desire to minimize burdens on carriers.

care.").

³³ We note that the Commission has recently referred to the Joint Board the question of whether the Commission should take responsibility only for 25% of the high cost subsidy calculated by the soon-to-be-adopted federal funding model. See *Federal State Joint Board on Universal Service*, Order and Order on Reconsideration, FCC 98-160, CC Docket No. 96-45, ¶ 5 (rel. July 17, 1998).

³⁴ See, e.g., Bell Atlantic Comments at 1-3 (arguing for elimination of the ARMIS reports); NARUC Reply Comments at 3 (noting NARUC resolution calling for a federal service quality reporting program).

³⁵ See, e.g., Bell Atlantic Comments at 1-4; GTE Comments at 2; BellSouth Reply Comments at 2-3.

I. Presubscribed Line Data

18. The Monitoring Reports will exclude data on presubscribed lines, since the Commission no longer needs to routinely collect this data to calculate universal service contributions.³⁶ Though this data is still useful, both as a measure of network growth and as a measure of competition in the interexchange market, the burden on carriers may outweigh the utility of this data for purposes of monitoring the universal service support mechanisms,³⁷ particularly given the availability of ARMIS 43-08 data on access lines. The Bureau will continue to assess the viability of reporting data collected during the assessment of PICC charges both as a means of assessing usage and a measure of the interexchange market.³⁸

J. Data on State Universal Service Support Mechanisms

19. The Monitoring Reports will not at this time include data on state universal service support mechanisms.³⁹ Data on state universal service support mechanisms in the Monitoring Reports would present a more comprehensive picture of the impact of both federal and state universal service support mechanisms on the industry and customers, materially enhancing the usefulness of the monitoring program.⁴⁰ However, given the early stage of many state programs and the lack of familiarity with individual state's data collection efforts, it would be premature to attempt to collect (even on a voluntary basis, as proposed) and publish such data.⁴¹ The Bureau will continue to explore this proposal again in the future, so states and other parties are encouraged to file comments in the open docket about the nature of state data collection efforts and on the usefulness of incorporating such data into the Monitoring Reports.⁴²

K. Other Issues

20. The Commonwealth of the Northern Mariana Islands (CNMI) urges the Bureau to expand coverage in the Monitoring Reports of statistics on the commonwealth. In particular, CNMI asks the Bureau to include the commonwealth in the Subscribership Penetration section

³⁶ See *Monitoring Program Public Notice*, at ¶ 44 (for discussion of presubscribed line data).

³⁷ GTE Comments at 4 (arguing that it is an "expensive and administratively burdensome activity" for carriers to collect this data); Sprint Comments at 1 (noting overlap with ARMIS 43-08).

³⁸ See 47 C.F.R. § 69.153; *Access Charge Reform Order*, section III.A; *Universal Service Order*, 12 FCC Rcd 8776, ¶ 768.

³⁹ See *Monitoring Program Public Notice*, ¶ 9.

⁴⁰ Arkansas Commission Comments at 2; GSA Comments at 7; MCI Reply Comments at 4.

⁴¹ See GTE Comments at 5.

⁴² To the extent that the original proposal was unclear, the Bureau envisioned that state commissions would simply forward data that they routinely collect concerning their universal service support mechanisms, as opposed to imposing additional reporting requirements on carriers. A number of carriers did not oppose such a proposal as long as data would be collected directly from state commissions. GTE Comments at 5; U S West Comments at 5.

and to provide data on distribution of support through the schools and libraries, rural health care, and high cost support mechanisms. The Monitoring Reports will include data on the distribution of support to CNMI to the greatest extent possible. With regard to subscribership penetration however, the Current Population Survey (CPS) of the Bureau of the Census does not include the CNMI and other insular areas. Other measures of subscribership penetration are not collected with the same degree of regularity as the CPS data. Given the Commission's expressed concern for insular areas, the Bureau will attempt to make the monitoring program as effective a tool as possible for evaluating universal service to insular areas, such as CNMI.⁴³

For further information contact Alex Belinfante, at (202) 418-0944, or Scott Bergmann, at (202) 418-7102, of the Common Carrier Bureau, Industry Analysis Division.

⁴³ See *Universal Service Order*, 12 FCC Rcd 8776, 8843.